

May 29, 2025

The Honorable Joseph J. Solomon, Jr.
Chairman, House Corporations Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: H-6201 – Relating to Public Utilities & Carriers – Renewable Energy Standard

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write regarding H-6201, which would amend the state's Renewable Energy Standard (RES) by adding "nuclear energy sources" to the definition of qualified renewable energy resources. Our Company appreciates Leader Chippendale and the House Corporations Committee for their willingness to explore potential reforms to ratepayer-funded clean energy programs with a goal of reducing customer costs while still advancing broader energy, economic, and environmental policy goals important to our state.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,400 union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

Rhode Island Energy is fully supportive of the state's overall climate goals and is committed to doing its part to further the clean energy transition. However, if the robust public dialogue around energy affordability this past winter teaches us anything, it is that immediate and near-term utility bill impacts must also be considered. This summer, approximately 25% of the "typical" residential electric bill (500 kWh per month) is comprised of public policy initiatives and state taxes, equating to more than \$35 per month. These costs increase or decrease based upon a customer's individual monthly usage. While these initiatives, including the RES, provide important energy, economic, and environmental benefits for Rhode Islanders, they also come at a cost that must be paid today.

Rhode Island Energy and other third-party suppliers of electrical energy (e.g., competitive retail suppliers) are obligated by law to comply with the RES, which requires the purchase of renewable energy certificates (RECs) from eligible renewable resources to meet an increasing share of total electric deliveries over time. In 2024, electric suppliers were required to offset 28% of their total deliveries with RECs; that obligation increased to 34% in 2025 and will ramp up significantly in the coming years until reaching 100% by 2033 (and thereafter). The costs incurred by electric suppliers to meet this mandate are recovered through electric supply rates – this is true whether you take Rhode Island Energy's last resort supply service (LRS), are enrolled in a municipal aggregation program, or have another third-party supply arrangement. The Block Island Utility District and Clear River (Pascoag) Utility District are specifically exempt from the RES.

RES costs are passed through to electric customers with no utility "mark-up" or profit. This summer, the typical residential electric customer on Rhode Island Energy's LRS supply rate will

pay \$7.31 per month to support the RES program in isolation. Utility bill impacts will vary each month, from customer to customer, based upon total energy usage. Overall, Rhode Island Energy customers paid \$33 million in RES compliance costs in 2024 and \$141 million over the past five years. These values represent Rhode Island Energy's compliance costs only; we do not have data on RES compliance costs incurred by third-party suppliers.¹

Rhode Island Energy is committed to working with state lawmakers, regulators, and other stakeholders to explore opportunities for more equitable and cost-efficient policy outcomes, particularly when those policies are funded through local utility bills. Clean energy policies, such as the RES, should be thoughtfully examined and re-calibrated for affordability, equity, and reliability – while ensuring that customers still benefit from (and retain reasonable access to) renewable energy supplies. **H-6201 presents one potential reform to the RES worthy of further consideration within this larger context. This bill, along with other complementary amendments to the RES, offers the potential to reduce long-term compliance costs shouldered by electric customers throughout the Ocean State while supporting achievement of Rhode Island's broader clean energy and climate mandates. Rhode Island Energy welcomes the opportunity for further discussion and collaboration.**

Thank you for your continued leadership and consideration of these comments.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the House Corporations Committee
The Honorable Michael Chippendale, Minority Leader, House of Representatives

¹ Today, Rhode Island Energy provides last resort supply service (LRS) to \approx 42% of statewide electric demand.